

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
Room 220, Senate Building, Utah State Capitol Complex
January 27, 2010**

Members Present: Sen. Jon J. Greiner, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Pres. Michael G. Waddoups
Sen. Ben McAdams
Rep. Douglas C. Aagard
Rep. Richard A. Greenwood
Rep. Steven R. Mascaro
Rep. Curtis Oda
Rep. Jennifer M. Seelig
Rep. Larry B. Wiley

Staff Present: Steve Allred, Fiscal Analyst
Gary Syphus, Fiscal Analyst
Steve Jardine, Fiscal Analyst
Jennifer Eyring, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Sen. Greiner called the meeting to order at 2:20 p.m.

MOTION: Rep. Aagard moved to approve the minutes from the January 12, 2010 meeting. The motion was approved unanimously with Pres. Waddoups, Rep. Mascaro, Rep. Oda and Rep. Hutchings absent for the vote.

Steve Allred, Fiscal Analyst, provided the committee with a Statewide Revenue Summary page and reviewed how the amounts for the FY 2010 and FY 2011 budget reductions were established. He also reviewed the Executive Appropriation Committee requests to the subcommittee. The expected revenue reduction for FY 2011 is 2%, but the subcommittee has been asked to come up with a list of 5% reductions to provide options in adjusting the budget as needed. The committee also received a copy of detailed proposed budget changes for FY 2011 that was prepared by the staff. New revenue projections will come out in mid February.

Division of Juvenile Justice Services (DJJS)

Dan Maldonado, Director, DJJS, and Rick Platt, Finance Director, DJJS, provided the committee with a handout that summarizes the numbers of youth provided with services in both custodial and non-custodial situations, and also the budget requests for FY 2011. To be able to

meet the FY 2010 reductions, the Division would consider cutting the number of beds, not providing early intervention services to as many juveniles, closing a facility for a period of time, or moving people to other locations. In response to committee questions, Mr. Maldonado explained that moving clients to another location can be done, but there are many things that need to be taken into consideration, such as being farther from family and the court process. Since detention stays are usually short term, transportation costs are also a consideration.

Rep. Oda said that in his experience, he has seen that it is important for the youth to be held closer to home, and feels that properly addressing the problems now, may prevent further problems as they become adults. He feels that it is important for the committee to do what they can to protect these programs.

The committee requested the data on the number of juveniles who stay out of the adult system after being served by DJJS.

Mr. Maldonado stated that about 1/4 of services are contracted out to private providers. These providers may be profit or nonprofit entities. Cost savings and contract oversight were discussed. The possibility of closing down beds or facilities and the considerations that need to be taken were discussed with the committee. He emphasized that although closing facilities is a possibility, and may need to be done, it is a difficult process with many issues to consider and address.

The Division has two funding requests for FY 2011. Federal Medicaid funding for children and youth in residential care will be reduced by \$8,900,000. The Division is making a Building Block request for \$8,900,000 in ongoing funding to replace the Federal funds lost. The Governor has recommended this appropriation from the General Fund. The second request is for \$4,079,200 one-time funds for Receiving Centers and Youth Services programs. The Legislature appropriated one-time funding for these programs in FY 2010. The request is to extend this funding for one more year.

Analyst Review - DJJS

Steve Jardine, Fiscal Analyst, gave an overview of the Budget and Issue Briefs for the Division of Juvenile Justice Services. The Division programs include Administration, Early Intervention Services, Community Programs, Correctional Facilities, Rural Programs and Youth Parole Authority. Most of the funding for DJJS comes from State General Funds. Mr. Jardine pointed out that the funding category listed as Other is actually Medicaid funding. The request for \$8.9 million is to replace Federal funds lost, and historically, the State has made up the difference when Federal funds decrease. The Federal Medical Assistance Percentage (FMAP) was explained. The funding request for the Receiving Centers was reviewed. Without continued funding, the program would lose 44 FTEs.

The Analyst recommends that the committee adopt the FY 2011 base budget for DJJS, approve

the change in Federal Medical Assistance Percentage (FMAP), approve the fee schedule, approve the intent language authorizing nonlapsing authority, authorize DJJS to receive Federal Funds, and consider the requests for \$8,900,000 ongoing and \$4,079,200 one-time funding.

Issue Briefs were prepared for the committee to give more in depth background on the Medicaid funding decrease, intent language, performance measures and Federal Funds request summaries.

Questions concerning the loss of Medicaid funding were addressed by Mr. Maldonado and Mr. Jardine.

Rep. Mascaro noted that as the contract rate to private providers go down, wages also decline, making it difficult to hire and retain qualified employees. He expressed concern that reducing those rates hurts the youth that we are trying to help.

Mr. Maldonado answered questions concerning best standard practices and oversight of private contractors.

Mr. Jardine gave a more detailed explanation of the DJJS costs and services for youth care and provided a detailed example of how those funds are spent by a private provider. He also reviewed the options that the committee may consider as outlined in the Issue Brief "Loss of Federal Medicaid Funds for Children and Youth in Residential Care." The level of DJJS funding over the past years was discussed. The remaining Issue Briefs were highlighted.

MOTION: Rep. Greenwood moved to adjourn the meeting. The motion was approved unanimously with Pres. Waddoups absent for the vote.

Sen. Greiner adjourned the meeting at 4:40 p.m.

Sen. Jon J. Greiner, Co-Chair

Rep. Eric K. Hutchings, Co-Chair